

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

Pennsylvania National Mutual Casualty
Insurance Company,

Petitioner,

v.

Everest Reinsurance Company,

Respondent.

Case No.: 1:18-mc-00653-JEJ

Consolidated Cases

Everest Reinsurance Company,

Petitioner,

v.

Pennsylvania National Mutual Casualty
Insurance Company,

Respondent.

Case No.: 1:18-mc-00656-JEJ

**TABLE OF REPLY EXHIBITS IN FURTHER SUPPORT OF
EVEREST REINSURANCE COMPANY'S
PETITION TO COMPEL EXISTING ARBITRATION AND
TO STAY SUBSEQUENT ARBITRATION**

On the Brief:

Joseph J. Schiavone, Esq.
Jeffrey S. Leonard, Esq.
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Fax 973-622-3349
Attorneys for Petitioner-Respondent
Everest Reinsurance Company

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
I	E-mail string, dated January 10, 2019 – January 11, 2019
J	Termination Endorsement, effective January 1, 1993, to the Second Excess of Loss Reinsurance Contract, effective January 1, 1991
K	Statement of Justification For Sealing Order, dated November 13, 2019

Exhibit I

Jeffrey S. Leonard

From: Haar, Matthew M. <matt.haar@saul.com>
Sent: Friday, January 11, 2019 4:03 PM
To: Jeffrey S. Leonard
Cc: Joseph J. Schiavone; Hummer, Paul M.; Mishoe, K. Wesley
Subject: RE: Penn National/Everest

Jeff – to answer the second question first, Penn National does not consent to unsealing the documents in the Hartford confirmation litigation. On the first question, my understanding is that Exhibit A is copies of the Treaties, which Everest already has, and earlier this week I provided you with an additional copy of the Treaties with Bates labels. Exhibit C is the Hartford arbitration award, which Penn National believes it is both bound to and entitled to keep confidential, consistent with industry standards. Thanks.

Matt

**SAUL EWING
ARNSTEIN
& LEHR^{LLP}**

Matthew M. Haar
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matt.haar@saul.com | www.saul.com

From: Jeffrey S. Leonard [mailto:JLeonard@saiber.com]
Sent: Thursday, January 10, 2019 11:25 AM
To: Haar, Matthew M.
Cc: Mishoe, K. Wesley; Joseph J. Schiavone
Subject: Penn National/Everest

****EXTERNAL EMAIL** - This message originates from outside our Firm. Please consider carefully before responding or clicking links/attachments.**

Matt - I write with two questions. First, will your client agree to provide us with Exhibits A and C to its petition to confirm, filed in the Middle District of Pennsylvania under Case No. 1:18-mc-00278-JEJ? Second, we will be filing a motion to unseal those documents. Does your client consent to that relief?

Jeffrey S. Leonard, Esq.

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"Saul Ewing Arnstein & Lehr LLP (saul.com)" has made the following annotations:

+~~~~~+

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Exhibit J

9 2 8 9

TERMINATION ENDORSEMENT

to

PROPERTY AND CASUALTY

SECOND EXCESS OF LOSS REINSURANCE CONTRACT

EFFECTIVE JANUARY 1, 1991 AT 12:01 A.M. EASTERN STANDARD TIME

issued to

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

PENN NATIONAL SECURITY INSURANCE COMPANY

HARRISBURG, PENNSYLVANIA

by

PRUDENTIAL REINSURANCE COMPANY

DELAWARE

It is understood and agreed that effective January 1, 1993, at 12:01 a.m., Eastern Standard Time, this contract is cancelled in accordance with the provisions of Article 2., TERM.

All other terms and conditions remain unchanged.

Signed in Newark, New Jersey, this 27th day of August, 1993,

PRUDENTIAL REINSURANCE
COMPANY

BY Raymond H. H. J.
TITLE Director

PAD:jhw
G19886.93
2/16/93

9 2 8 9

and signed in Harrisburg, Pennsylvania, this 25 day of Feb, 1993.

PENNSYLVANIA NATIONAL MUTUAL
CASUALTY INSURANCE COMPANY
PENN NATIONAL SECURITY
INSURANCE COMPANY

BY Harold H. Watter
TITLE S. Vice Pres

attached to
and forming part of the
TERMINATION ENDORSEMENT
to the
PROPERTY AND CASUALTY
SECOND EXCESS OF LOSS REINSURANCE CONTRACT

Exhibit K

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

Pennsylvania National Mutual Casualty
Insurance Company,
Petitioner

v.

Everest Reinsurance Company,
f/k/a Prudential Reinsurance Company
Respondent.

No. 1:18-mc-00653-SHR

**PENNSYLVANIA NATIONAL MUTUAL CASUALTY
INSURANCE COMPANY'S
STATEMENT OF JUSTIFICATION FOR SEALING ORDER**

Petitioner, Pennsylvania National Mutual Casualty Insurance Company ("Penn National"), hereby submits this Statement of Justification in support of its Motion to Seal Confidential Documents pursuant to LR 5.8 and LCrR 49 and states as follows¹.

1. Penn National and Everest Reinsurance Company f/k/a Prudential Reinsurance Company ("Everest") are parties to multiple reinsurance agreements containing an arbitration provision (collectively, "Treaties"). A representative

¹ The statements of fact come from Penn National's Verified Petition to Compel Arbitration.

11. Everest's refusal to participate in selecting an arbitration panel based on its assertion that the Former Panel should consider the present dispute will necessarily require some confidential Arbitration Information relating to the prior arbitration be presented to the Court in this matter.

12. The Treaties and Arbitration Demand in the present dispute would be Arbitration Information under the standard form of Confidentiality Agreement and Protective Order and thus subject to the terms of such an order, once entered in the present arbitration. (See Exhibit 1 at ¶ 2.)

13. Both the Treaties and the Arbitration Demand contain sensitive and proprietary information regarding the nature and structure of the parties' business relationship.

14. The *Century* case involved an agreed upon confidentiality agreement with identical operative language. *Id.* at 826.

15. The Court in *Century* outlined the law regarding sealing of court records.

The strong common law presumption of public access to judicial records is not absolute. *In re Cendant Corp.*, 260 F.3d 183, 194 (3d Cir.2001). However, this presumption is rebutted only when a court is satisfied, after balancing the competing interests, that the need for secrecy outweighs the presumption of access. *Id.* The party seeking to have the record sealed "bears the burden of showing that the material is the kind of information that courts will protect" and that "disclosure will work a clearly defined and serious injury to the party seeking closure." *Id.* (quoting *Miller v. Ind. Hosp.*, 16 F.3d 549, 551 (3d Cir.1994)).

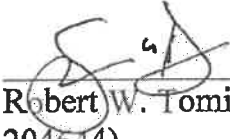
EXHIBIT K

WHEREFORE, Petitioner Pennsylvania National Mutual Casualty Insurance Company respectfully requests that this Court grant the Motion to Seal Confidential Documents and for such other relief as the Court deems appropriate.

Respectfully Submitted,

CLARK HILL PLC

Dated: November 13, 2018


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National Mutual Casualty Insurance
Company*